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5 May 1982

MEMORANDUM FOR: Director of Central Intelligence

FROM:

Herbert E. Meyer

SUBJECT:

Third World Business Communities

as Insurgency Targets

- l. We have long understood why it is a top priority of Third World insurgency movements to cripple a target country's business community: such a community is always fragile, and when its leaders give up or go down in defeat the country's economy is shattered and its middle class--the social backbone--is broken.
 - a. I propose that we prepare an assessment that will outline precisely how Third World business communities are attacked by insurgent movements. Among the questions our assessment would answer are these:
 - (1) What tactics are used to disrupt commerce--e.g., blowing up bridges and roads to halt deliveries?
 - (2) What tactics are used to intimidate business leaders--e.g., kidnapping and murder?
 - (3) What financial problems directly attributable to insurgent movements cause the collapse of companies whose leaders strive to keep going--e.g., withdrawal of credit from foreign suppliers who are scared off by press reporting?
 - b. Our assessment should also explore various forms of assistance the US and its allies could provide—either directly or through the local government—that would be specifically designed to help locally—owned businesses in Third World countries threatened by insurgencies.
- 2. The attached piece, from today's <u>Wall Street Journal</u>, illustrates the kind of thing I have in mind; I urge you to read it.

Herbert E. Meyer

Attachment